

STAND. COM. REP. NO.

590

Honolulu, Hawaii

FEB 16 , 2023

RE: H.B. No. 608
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Agriculture & Food Systems, to which was referred H.B. No. 608 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish an Organic Foods Production Tax Credit applicable to taxable years beginning after December 31, 2023.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawai'i Alliance for Progressive Action, Hawai'i Farmers Union United, and six individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that there is a need to reduce the cost burden on local farmers and emerging young farmers. Your Committee further finds that organic agriculture represents an opportunity to improve the quality of produce and increase revenues for farms, all while conserving and protecting the State's natural resources. Local organic farming operations are often smaller and incur a higher cost of production as compared to conventional farming operations. This measure reduces cost burdens on local organic farmers in the State, thereby providing residents with higher quality local produce for local consumption.

2023-1652 HB608 HD1 HSCR HMSO

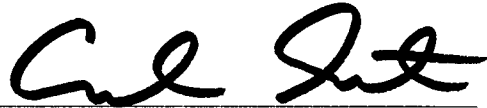


Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture & Food Systems that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 608, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture & Food
Systems,



CEDRIC ASUEGA GATES, Chair



